

MLC Asbestos PI Trust

**Audited Special-Purpose Financial
Statements with Supplementary Information
Years Ended December 31, 2014 and 2013**

MLC Asbestos PI Trust

**Audited Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2014 and 2013**

MLC Asbestos PI Trust

Contents

Independent Auditor's Report	1-2
Special-Purpose Financial Statements	
Special-Purpose Statements of Assets, Liabilities and Net Assets Available for the Payment of Claims	3
Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims	4
Special-Purpose Statements of Cash Flows	5
Notes to the Special-Purpose Financial Statements	6-14
Supplementary Information	
Independent Auditor's Report on Supplementary Information	15
Supplementary Schedules of Operating Expenses	16



Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8405 Greensboro Drive
Suite 700
McLean, VA 22102

Independent Auditor's Report

Trustee
MLC Asbestos PI Trust
Wilmington, Delaware

We have audited the accompanying special-purpose financial statements of MLC Asbestos PI Trust, (the Trust) (a statutory Trust created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities, and net assets available for the payment of claims as of December 31, 2014 and 2013, and the related special-purpose statements of changes in net assets available for the payment of claims and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the special-purpose financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the assets and liabilities of MLC Asbestos PI Trust as of December 31, 2014 and 2013, and the additions, deductions and cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. As described in Note 2, these special-purpose financial statements were prepared on a special-purpose basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter. The special-purpose basis of accounting has been used in order to communicate the amount of net assets presently available to fund current and future claims.

Restriction of Use

Our report is intended solely for the information and use of the management of the Trust, the Asbestos Trust Administrator and Trustee, the Future Claimants' Representative, the Trust Advisory Committee, the beneficiaries of the Trust, and the United States Bankruptcy Court for the District of New York and Office of the United States Trustee for the Southern District of New York and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report which, upon filing with the United States Bankruptcy Court for the Southern District of New York and with the United States Trustee for the Southern District of New York, is a matter of public record.

BDO USA, LLP

McLean, Virginia
April 27, 2015

Special-Purpose Financial Statements

MLC Asbestos PI Trust

Special-Purpose Statements of Assets, Liabilities and Net Assets Available for the Payment of Claims

<u>December 31,</u>	<u>2014</u>	<u>2013</u>
Assets		
Cash and cash equivalents	\$ 2,963,421	\$ 30,501,722
Investments, at fair value		
Equity securities	66,804,085	130,226,133
Bonds	98,148,262	39,765,449
GUC Trust	12,031,250	20,093,750
Hedge funds	16,830,579	8,136,856
Interest receivable	941,937	435,637
Total assets	197,719,534	229,159,547
Liabilities		
Accrued expenses and accounts payable	667,140	362,253
Total liabilities	667,140	362,253
Net assets available for the payment of claims	\$ 197,052,394	\$ 228,797,294

See accompanying notes to the special-purpose financial statements.

MLC Asbestos PI Trust

Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims

<i>Years Ended December 31,</i>	2014	2013
Additions		
Funding under joint plan of reorganization	\$ 4,697,578	\$ 11,974,066
Net appreciation in fair value of investment securities	- -	56,403,672
Net change in fair value of hedge funds	193,723	724,831
Interest and dividend income	1,576,535	573,686
Total additions	6,467,836	69,676,255
Deductions		
Net depreciation in fair value of investment securities	33,278,728	- -
Operating expenses	3,516,018	1,599,463
Personal injury claims expense	1,351,440	717,308
Claims processing expenses	66,550	55,785
Total deductions	38,212,736	2,372,556
(Decrease) increase in net assets available for the payment of claims	(31,744,900)	67,303,699
Net assets available for the payment of claims		
Beginning of the year	228,797,294	161,493,595
End of the year	\$ 197,052,394	\$ 228,797,294

See accompanying notes to the special-purpose financial statements.

MLC Asbestos PI Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	2014	2013
--------------------------	------	------

Cash flows from operating activities:

(Decrease) increase in net assets available for the payment of claims	\$ (31,744,900)	\$ 67,303,699
Adjustments to reconcile (decrease) increase in net assets available for the payment of claims to net cash used in operating activities:		
Trust funding received in stocks, rights and warrants	(4,697,578)	(11,974,066)
Net depreciation (appreciation) in fair value of investments	33,278,728	(56,403,672)
Net change in fair value of hedge funds	(193,723)	(724,831)
Amortization of premiums on bonds, net	961,016	968,250
Changes in operating assets and liabilities		
Interest receivable	(506,300)	(12,045)
Accrued expenses and accounts payable	304,887	294,553
Total adjustments	29,147,050	(67,851,811)
Net cash used in operating activities	(2,597,850)	(548,112)

Cash flows from investing activities:

Sales of equity securities	68,855,478	7,669,108
Sales and maturities of bonds	12,419,156	15,975,349
Purchases of equity securities	(26,875,805)	-
Purchases of bonds	(70,839,260)	(17,728,193)
Purchases of hedge funds	(8,500,000)	(5,150,000)
Net cash (used in) provided by investing activities	(24,940,451)	766,264
Net (decrease) increase in cash and cash equivalents	(27,538,301)	218,152
Cash and cash equivalents at the beginning of the year	30,501,722	30,283,570
Cash and cash equivalents at the end of the year	\$ 2,963,421	\$ 30,501,722

See accompanying notes to the special-purpose financial statements.

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

On June 1, 2009, Motors Liquidation Company (MLC) (formerly known as General Motors Corporation) and certain of its subsidiaries (collectively, the Debtors), filed voluntary petitions for reorganization under Chapter 11 of the United States Bankruptcy Code (Bankruptcy Code) in the United States Bankruptcy Court for the Southern District of New York (Bankruptcy Court). On October 9, 2009, two additional Debtors, Remediation and Liability Management Company, Inc. (REALM) and Environmental Corporate Remediation Company, Inc. (ENCORE) filed voluntary petitions for reorganization under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court.

On December 7, 2010, the Debtors filed a Disclosure Statement (the Disclosure Statement) with the Bankruptcy Court describing the Debtors' Amended Joint Chapter 11 Plan. On March 29, 2011, the Bankruptcy Court confirmed the Second Amended Joint Chapter 11 Plan (the Plan). The Plan has become final and can no longer be appealed.

The essential elements of the Plan include, among other things, the creation of the MLC Asbestos PI Trust (the Trust) on March 31, 2011, pursuant to which the Trust assumes all liabilities for Asbestos Personal Injury Claims in accordance with the Plan. Governance of the Trust is dictated by the terms and provisions of the Trust Agreement, which provides, *inter alia*, for the appointment of the Asbestos Trust Administrator and Trustee (the Trustee). The processing and payment of Asbestos Personal Injury Claims is, in turn, determined by reference to the detailed provisions of the Trust Distribution Procedures (the TDP).

The Trustee is responsible for supervising and administering the Trust and utilizing the Trust's assets and income to pay the holders of all Asbestos Personal Injury Claims in accordance with the Trust Agreement and the TDP in such a way that holders of such claims are treated fairly, equitably, and reasonably in light of the limited assets available to satisfy such claims.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trust, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, the accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are generally recorded when they are received by the Trust and are available for the payment of asbestos claims.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions from net assets available for the payment of claims in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

- The full amounts of claims will be expensed in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant, with an approved release. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust. There were settled but unpaid claims of \$546,607 and \$286,721 for the years ended December 31, 2014 and 2013, respectively, which are included in accrued expense and accounts payable in the special-purpose statements of assets, liabilities, and net assets available for the payment of claims. Total claims paid during the years ended December 31, 2014 and 2013 aggregated \$1,091,554 and \$430,587.
- Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expenses related to purchases of property and equipment.
- Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Under GAAP, the provision for income taxes is recorded based upon income reported for financial statement purposes, and federal and state income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.
- Under GAAP, for financial statement disclosure purposes all investments would be categorized based on the priority of inputs used to measure fair value. Under GAAP, inputs used in measuring fair value are categorized into three levels. Level 1 includes inputs that are based upon quoted prices for identical instruments traded in active markets. Level 2 includes inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment. Level 3 includes inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques. The accompanying special-purpose financial statements do not categorize investments into these levels.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosures of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to the net assets available for the payment of claims during the

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

reporting period. Actual results could differ from those estimates and such differences could have a material effect on the net assets available for the payment of claims.

Cash Equivalents

The Trust considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

Investments

Investment securities are stated at fair market value. Fair market values for investment securities, other than hedge funds, are based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements. The fair market value for hedge funds is based on the Trust's proportionate share of each fund's net assets, as reported as of the date of the special-purpose financial statements. The net appreciation or depreciation in fair market value of investments in the accompanying special-purpose statements of changes in net assets available for the payment of claims consists of realized gains or losses on sales of investments and the changes in unrealized gains or losses on investments held. Investment income is recognized when earned. All interest and dividend income, net of investment expenses, are included in interest and dividend income in the accompanying special-purpose statements of changes in net assets available for the payment of claims. Gains and losses on sales of investment securities are determined using the average cost method.

Accrued Expenses and Accounts Payable

Accrued expenses and accounts payable consist of accruals and outstanding invoices associated with managing and operating the Trust.

Operating Expenses

Operating expenses of the Trust are paid from the net assets available for the payment of claims when invoices are received.

Claims Processing Expenses

Claims processing expenses are paid from net assets available for the payment of claims when invoices are received.

Income Taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). The Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustee and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in cumulative unrealized gains and losses on investments (see Note 4). The income taxes associated with gains on investments will be recorded in the Trust's financial statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable.

Risks and Uncertainties

The Trust's assets that are exposed to credit risk consist primarily of cash and cash equivalents and investments in equity securities, municipal bonds, and hedge funds. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. Amounts on deposit in excess of federally insured limits at December 31, 2014 approximate \$500,000.

The Trust invests in a professionally managed portfolio that contains municipal bonds and Treasury bills, common shares of publicly traded companies, money market funds, and hedge funds. Such investment securities are exposed to various risks such as interest rate and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net assets available for the payment of claims.

3. Funding Under Joint Plan of Reorganization

In accordance with the Plan and Stipulation and Order Fixing Asbestos Trust Claim and Resolving Debtor's Estimation Motion (the Stipulation) entered by the Bankruptcy Court on February 14, 2011, the Trust was funded with the Asbestos Trust Assets that are comprised of cash in the amount of \$2,000,000 and an allowed general unsecured claim of \$625,000,000. The Plan provides that general unsecured creditors, including the Trust, shall receive a pro rata share of New GM Securities (a combination of General Motors Company common stock, stock rights, and stock warrants) and General Unsecured Trust (the GUC Trust) Units in accordance with the terms of the Motors Liquidation Company GUC Trust Agreement (the GUC Trust Agreement). The initial distribution on the Trust's general unsecured claim was made directly to the Trust rather than through the GUC Trust pursuant to the terms of the Stipulation. All subsequent distributions were made in accordance with the Plan. The first distribution in accordance with the Plan occurred in 2012 whereby the Trust received 625,000 units in the GUC Trust with a fair market value of \$7,875,000 on the date the securities were transferred to the Trust. During the year ended December 31, 2013 the Trust received distributions from the GUC Trust consisting of equity securities with a fair value of \$11,974,066 as of the date the securities were transferred to the Trust. During the year ended December 31, 2014, the Trust received distributions from the GUC Trust consisting of equity securities and warrants with a fair value of \$4,697,578.

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

4. Investments

Investment securities consist of the following at December 31:

<i>Description</i>	2014			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Equity securities	\$ 65,407,277	\$ 2,781,891	\$ (1,385,083)	\$ 66,804,085
Bonds	97,666,442	608,776	(126,956)	98,148,262
GUC Trust	7,875,000	4,156,250	-	12,031,250
	\$ 170,948,719	\$ 7,546,917	\$ (1,512,039)	\$ 176,983,597

<i>Description</i>	2013			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Equity securities	\$ 94,516,288	\$ 35,740,249	\$ (30,404)	\$ 130,226,133
Bonds	40,276,228	-	(510,779)	39,765,449
GUC Trust	7,875,000	12,218,750	-	20,093,750
	\$ 142,667,516	\$ 47,958,999	\$ (541,183)	\$ 190,085,332

Net (depreciation) appreciation in the fair value of investment securities of (\$33,278,728) and \$56,403,672 for the years ended December 31, 2014 and 2013, respectively, consists of the net change in unrealized gains (losses) and net realized gains (losses) from investment sales.

The net change in unrealized gains (losses) from market (depreciation) appreciation of the following investment securities as of December 31:

	2014	2013
Equity securities	\$ (34,313,037)	\$ 48,907,773
Bonds	992,599	(410,271)
GUC Trust	(8,062,500)	6,843,750
	\$ (41,382,938)	\$ 55,341,252

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

Realized gains and losses

Net realized gains (losses) from investment sales consist of the following as of December 31:

	2014	2013
Equity securities	\$ 8,173,084	\$ 1,351,311
Bonds	(68,874)	(288,891)
	\$ 8,104,210	\$ 1,062,420

Summary of changes in investments in hedge funds

The table below sets forth a summary of changes in the fair value of the Trust's investments in hedge funds for the years ended December 31:

	2014	2013
Balance, beginning of year	\$ 8,136,856	\$ 2,262,025
Purchases	8,500,000	5,150,000
Net change in fair value	193,723	724,831
Balance, end of year	\$ 16,830,579	\$ 8,136,856

The major categories of the Trust's hedge fund investments, including general information related to each category, are as follows:

	Fair Value		Redemption Frequency (if Currently Eligible)	First/Next Redemption	Notice Period (days)	Gate
	2014	2013				
(a)						
Long/short fund	\$ 2,438,677	\$ 1,317,173	Quarterly	March 31, 2015*	45	0%
Long/short fund	1,026,120	1,102,988	Quarterly	March 31, 2015	60	0%
Long/short fund	2,137,140	-	Not eligible	September 30, 2015	60	0%
	5,601,937	2,420,161				
(b)						
Multi-strategy fund	\$ 1,660,691	\$ 1,637,513	Annually	December 31, 2015	60	10%
Multi-strategy fund	1,639,246	1,594,290	Quarterly	March 31, 2015	95	0%
Multi-strategy fund	754,088	835,740	Quarterly	March 31, 2015	90	0%
Multi-strategy fund	3,807,641	1,649,152	Not eligible	June 30, 2015*	45	0%
Multi-strategy fund	1,353,317	-	Not eligible	September 30, 2017	90	20%
	9,214,983	5,716,695				

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

(c)			September 30, 2015		
Credit opportunities	2,013,659	- Not eligible	126	0%	
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,013,659	-			

\$ 16,830,579 \$ 8,136,856

* The Trust contributed additional funds to this hedge fund during the year ended December 31, 2014. The first/next redemption for these funds represents the first redemption available based on the initial funds contributed.

(a) This category includes investments in hedge funds that hold securities traded primarily in the U.S. equity market. The investment strategy is managed by engaging in short-sale equity transactions based on individual company fundamentals and, to a far lesser extent, by shorting broad market and sector indices. The fair value of the hedge fund investments in this category was estimated based on the Trust's proportionate share of each fund's net assets, as reported on the respective fund's financial statements for the years ended December 31, 2014 and 2013.

(b) This category includes hedge funds that focus on event-driven investing which is defined as investing in securities and instruments of companies undergoing extraordinary events that affect the value of one or more securities of a company. Mergers and acquisitions, corporate restructurings and spin-offs, credit investments, and capital structure arbitrage are the primary focuses of the hedge funds in this category. The fair value of the hedge fund investments in this category was estimated based on the Trust's proportionate share of each fund's net assets, as reported on the respective fund's financial statements for the years ended December 31, 2014 and 2013.

(c) This category includes hedge funds that focus on generating risk adjusted returns through a multi-disciplinary investment approach using a broad array of securities and strategies, primarily through investments in mortgage securities and related financial instruments. The fund seeks to make investments with capital preservation as a primary investment objective. The investment managers seek to accomplish this strategy through investing in distressed securities, long/short securities, relative value securities, and macro securities. The fair value of the hedge fund investment in this category was estimated based on the Trust's proportionate share of each fund's net assets as reported on the respective funds' financial statements for the years ended December 31, 2014 and 2013.

5. Income Taxes

During the years ended December 31, 2014 and 2013, the Trust paid \$2,150,000 and \$0, respectively, in income taxes and recorded \$2,150,000 and \$0, respectively, of income tax expense.

As of December 31, 2013, the Trust has no net operating loss carryforwards available to offset future taxable income. The Trust's net operating losses will expire, if not utilized, at various dates through 2033. As disclosed in Note 2 to the special-purpose financial statements, the Trust does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with net operating loss carryforwards or cumulative unrealized gains and losses on investments.

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

6. Contingent Liabilities

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material. The Trust has obtained insurance for purposes of supporting its obligation to indemnify the Trustee.

7. Liability for Asbestos Claims

The settled but unpaid claims liability at December 31, 2014 and 2013 consists of personal injury claims that were settled and approved for payment by the Trust, but unpaid as of December 31, 2014 and 2013. These amounts have been included in accrued expenses and accounts payable in the accompanying special-purpose statements of assets, liabilities and net assets available for the payment of claims and in personal injury claims expense in the accompanying special-purpose statements of changes in net assets available for the payment of claims for the years ended December 31, 2014 and 2013.

The ultimate number of Asbestos Personal Injury Trust Claims to be filed and the liability for all such claims are uncertain at this time. The net assets available for the payment of claims at December 31, 2014 and 2013 represents funding available for all Asbestos Personal Injury Trust Claims for which no fixed liability has yet been established. The net assets available for the payment of claims at December 31, 2014 and 2013 may or may not be sufficient to meet all future obligations of the Trust.

8. Trust Liability Insurance

The Trust purchased liability insurance requiring a premium of \$86,100 for each of the years ended December 31, 2014 and 2013. The current policy term is from March 3, 2014 through March 3, 2015. Subsequent to year end, the policy was extended to March 3, 2016. The Trust's accounting policy is to expense in the current period any amounts that will not be available to pay future Asbestos Personal Injury Trust Claims or expenses of the Trust. Accordingly, \$86,100 was recorded as a deduction in net assets available for the payment of claims for each of the years ended December 31, 2014 and 2013.

9. Trustee, Trust Advisory Committee, and Trust Advisory Committee Counsel

Fees and expenses of the Trustee, Trust advisory committee, and future claimants' representative for the years ended December 31, 2014 and 2013 were as follows:

MLC Asbestos PI Trust

Notes to the Special-Purpose Financial Statements

	2014				
	Fees	Retainer	Expenses	Total	
Trustee	\$ 50,756	\$ 77,331	\$ 2,984	\$ 131,071	
Trust Advisory Committee Counsel	18,477	-	827	19,304	
Trust Advisory Committee Future Claimants' Representative	125	-	-	125	
Future Claimants' Representative Counsel	30,000	-	5,425	35,425	
	15,495	-	-	15,495	
	\$ 114,853	\$ 77,331	\$ 9,236	\$ 201,420	
	2013				
	Fees	Retainer	Expenses	Total	
Trustee	\$ 52,145	\$ 72,596	\$ 4,240	\$ 128,981	
Trust Advisory Committee Counsel	49,773	-	1,626	51,399	
Trust Advisory Committee Future Claimants' Representative	2,064	-	427	2,491	
Future Claimants' Representative Counsel	40,125	-	4,355	44,480	
	15,590	-	-	15,590	
	\$ 159,697	\$ 72,596	\$ 10,648	\$ 242,941	

The above amounts are included in operating expenses in the special-purpose statements of changes in net assets available for the payment of claims for the years ended December 31, 2014 and 2013.

10. Subsequent Events

The Trust has evaluated its December 31, 2014 special-purpose financial statements for subsequent events through April 27, 2015, the date the special-purpose financial statements were available to be issued. In March 2015, the Trust sold its remaining 72,850 shares of General Motors Company common stock that was previously received as funding through the distributions from the GUC Trust. The Trust received \$2,791,336 in proceeds from the sale of the General Motors Company common stock and recorded a realized gain on the sale of \$483,266. The Trust also sold 682,455 General Motors Company common stock warrants that were previously received as funding through the distributions from the GUC Trust. The Trust received \$14,530,830 in proceeds from the sale of the General Motors Company common stock warrants and recorded a realized gain on the sale of \$2,922,300. The Trust is not aware of any other subsequent events that would require recognition or disclosure in the special-purpose financial statements.

MLC Asbestos PI Trust

Supplementary Information
Years Ended December 31, 2014 and 2013



Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8405 Greensboro Drive
Suite 700
McLean, VA 22102

Independent Auditor's Report on Supplementary Information

Trustee
MLC Asbestos PI Trust
Wilmington, Delaware

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, LLP

April 27, 2015

MLC Asbestos PI Trust

Supplementary Schedules of Operating Expenses

<i>Year Ended December 31,</i>	<i>2014</i>	<i>2013</i>
Income tax expense	\$ 2,150,000	\$ -
Investment management fees	639,960	463,171
Administration and reporting	229,202	184,171
Trustee fees and expenses	131,071	128,981
Consulting expenses	112,945	559,933
Trust liability insurance	86,100	86,100
General legal fees	68,201	39,630
Future claimants' representative	35,425	44,480
TAC counsel fees	19,304	51,399
Trust meetings and expenses	17,170	16,427
Future claimants' representative counsel	15,495	15,590
Office expenses	8,920	7,090
Other legal fees	2,100	-
TAC fees and expenses	125	2,491
Total operating expenses	\$ 3,516,018	\$ 1,599,463

